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UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation

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1950 LOSS ADJUSTMENT MANUAL FOR WHEAT AND FLAX

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INTRODUCTION

Since this procedure deals almost entirely with the preparation of Inspection Reports and Statements in Proof of Loss the adjuster should thoroughly familiarize himself with the general provisions of the program as well as his responsibilities and those of the state director, district supervisor and county committee in order that he may ably represent the Corporation in his field contacts. This information, together with other basic principles of loss adjustment, are contained in the Adjuster's Handbook issued in August, 1949. Instructions relative to Form 8-Revised, "Notice to Corporation of Damage or Probable Loss" (herein called "Form 8") are contained in General Procedure 8-Revised, issued April 8, 1949.

SECTION I. INSPECTIONS AND PREPARATION OF THE INSPECTION REPORT

Subsection A. General

1. Insurance Unit

It is essential that the adjuster clearly understands what constitutes an "insurance unit" because losses are adjusted on an insurance unit basis. Each of the following describes an insurance unit:

- a. For an owner-operator all insurable acreage in the county in which he has 100 percent interest at the time of seeding.
- b. For a landlord all insurable acreage in the county which is owned by him and rented to one share tenant at the time of seeding.
- c. For a tenant all insurable acreage in the county which is owned by one person and operated by a share tenant at the time of seeding.

In case of land rented for cash or for a fixed commodity rent the lessee is considered the owner.

2. Acreage Not Covered by Insurance:

- a. Insurance does not attach with respect to (1) any acreage on which the crop is destroyed or substantially destroyed at a time when it could be reseeded to the insured crop and such acreage is not reseeded, (2) any acreage which the State Director determines was initially seeded too late to expect a normal crop to be produced, (3) new ground wheat acreage in areas where such acreage is not insurable, and (4) any acreage seeded to wheat on irrigated land the first year after being leveled.
- b. The contract does not provide insurance for (1) volunteer or self-seeded wheat or flax, (2) wheat seeded with a mixture of flax or other small grains, vetch, Austrian winter peas or dry edible peas, (3) a type of wheat which the Corporation determines is not adapted to the area, (4) flax seeded for purposes other than harvest as seed, and (5) wheat or flax

seeded on "Unclassified acreage" or on any acreage for which a coverage is not shown on the county actuarial table (including maps and related forms).

3. Weiver of Inspection

An inspection need not be made during the growing season if the Form 8 does not include a request for release of acreage and if the state director or the person designated by him determines that an inspection is not necessary. In such cases a letter shall be sent to the insured setting forth the following:

- a. The insured's contract number and the description of the acreage involved;
- b. The reason an inspection is not deemed necessary at that time;
- c. That any later material damage to the crop, or loss after harvest should be reported promptly; and
- d. That evidence of seeding should not be destroyed or other use made of the acreage before an inspection is made by a Corporation representative.

This letter should be prepared in triplicate, the original mailed to the insured, a copy forwarded to or retained by the state director, and a copy filed in the insured's county office folder.

No further action on the part of the adjuster is necessary on the case unless another Form 8 is received or the state director or the person designated by him determines that an inspection is necessary.

4. Preliminary Steps Before Inspection

The adjuster shall visit the county office and familiarize himself with all material in the insured's file including current correspondence, all Forms FCI-063, "Inspection Report," (herein called Form 63) previously prepared, and shall obtain records and other data which will be helpful to him in making the inspection. This provision may be waived if such information is otherwise available to the adjuster, or if it is not needed by him in making an early inspection.

5. Inspection Prior to the Time the Acreage Report is Filed

The adjuster shall determine whether an acreage report has been submitted by the insured.

- a. If the acreage report has not been submitted and it is less than 30 days after seeding is generally completed in the area, the adjuster shall obtain the acreage report and handle the inspection in the regular manner.

- b. If an acreage report has been submitted previously by the insured but no part of the unit on which the damage has occurred is listed on the acreage report, a Form 63 shall be prepared for the unit in the regular manner except that no acreage shall be released. The adjuster shall set forth in detail in Part III of Form 63 (1) the reason why the unit was not reported on the acreage report, (2) the estimated total acreage of the insured crop on the unit and the insured's interest therein, (3) the acreage damaged and the extent of damage, (4) the condition of the crop and an appraisal of any production, and (5) all other pertinent facts including full information concerning any other unit for which no data are listed on the acreage report. The case shall be referred immediately to the state director.
- c. If the acreage report has not been submitted and it is more than 30 days after seeding is generally completed in the area, the adjuster shall prepare a Form 63 for each insurance unit (or part thereof) in which the insured had an interest at the time of seeding. The Form(s) 63 shall be prepared in the regular manner except that no acreage shall be released. This will mean that no entry is to be made in Column C of Form 63 in such cases. The adjuster shall set forth in detail in Part III of Form 63 (1) the reason why the acreage report had not been filed within the 30 day period, (2) the estimated total acreage of the insured crop on the unit (or part thereof) and the insured's interest therein, (3) the acreage damaged and the extent of damage, (4) the condition of the crop and any appraisal of any production, and (5) all other pertinent facts including information as to previous efforts made to secure the acreage reports. The case shall be referred immediately to the state director.

6. Transfer of Interest Cases

Where the adjuster finds that there has been a transfer of interest in an insured crop which took place after the beginning of seeding but before the beginning of harvest or the time of loss, whichever occurs first, he shall determine whether Form FCI-21-Revised, "Transfer of Interest" (herein called Form-21) has been filed. Form 21 should be filed within 15 days after the actual transfer of interest in the crop, except that if the premium is paid prior to the transfer, the 15-day requirement does not apply. FCI-General Procedure 8, Revised, outlines the conditions under which the transferee may obtain insurance on the crop transferred and contains instructions for the execution of Form 21.

If the adjuster finds in any case that Form 21 has not been filed and that the condition of the insured crop has not deteriorated since the transfer took place and it is during the growing season, the transfer may be accepted even though the transfer occurred more than 15 days earlier. In such cases the adjuster shall inform the transferee that if he desires insurance on the interest transferred, it will be necessary for the transferee to file at the county office a Form 21, (which should also be signed by the transferor if available),

or to execute this form and give it to the adjuster. If the transferee does not file a Form 21 with the adjuster in such cases, a Form FCI-6, "Statement of Facts," shall be prepared showing all the data required for Form 21.

If the adjuster finds in any case that a Form 21 has not been filed and it is more than 15 days since the transfer took place and the insured crop has deteriorated since the transfer and the premium was not paid prior to the transfer, the adjuster shall prepare Form FCI-6 showing all pertinent facts and the data required for Form 21, but shall not prepare Form 21.

In any case where the adjuster finds that harvest has started before the transfer occurred, he should prepare a Form FCI-6 stating the facts in regard to the transfer of the crop but should not prepare a Form 21.

When adjusting a loss in a case where the transfer involves only a portion of the acreage or interest on an insurance unit and an approved Form 21 is not on file covering the transfer, the adjuster should obtain all basic information on the acreage transferred so that, if necessary, in the computation of the loss for the acreage not transferred an unsigned supplemental Form FCI-067, "Statement in Proof of Loss" (herein called Form 67) can be prepared for the transferred acreage. In cases of this kind, the transferee would not have insurance protection on the acreage transferred and accordingly would not be eligible to claim any indemnity under the contract. If the transferee gives the notice of damage or probable loss or raises a question regarding the right to an indemnity the requirements for transfer should be fully explained to him.

7. Stages of Production and Method of Determining the Amount of Production to be Counted.

- a. The use made of the land establishes the coverage per acre applicable to any acreage. It also establishes the amount of production to be counted in determining whether there is a loss.

The stages of production and the methods to be used in determining the production to be counted are set forth below.

(1) First Stage - Acreage released and seeded to a substitute crop.

The production to be counted for this acreage is that portion of the appraised production which exceeds the coverage for such acreage and shall be determined as follows: (a) multiply the acreage released in each field or tract by the appraisal per acre and obtain the sum thereof, (b) multiply the total acreage released and seeded to a substitute crop by the coverage per acre for such acreage (or the bushel equivalent thereof in the case of monetary insurance), (c) if the production obtained under (a) exceeds the result obtained under (b) the excess is the production to be counted for this acreage.

(2) Second Stage - Acreage released and not harvested and not seeded to a substitute crop.

The production to be counted for this acreage is that portion of the appraised production which exceeds the difference between the coverage for this acreage in the second and third stages of production and shall be determined as follows: (a) multiply the acreage released in each field or tract by the appraisal per acre and obtain the sum thereof, (b) multiply the total acreage released and not harvested and not seeded to a substitute crop by the difference between the coverages per acre in the second and third stages, (one bushel per acre in case of monetary insurance), (c) if the production obtained under (a) exceeds the result obtained under (b) the excess is the production to be counted for the acreage.

NOTE: If different coverages are involved in item (1) (b) or (2) (b) above, it will be necessary to multiply each acreage by the applicable coverage and obtain the sum thereof for use in determining any production to be counted.

(3) Third Stage - Harvested acreage.

The production to be counted for this acreage is all harvested production (actual and appraised) except that part of such production determined by the Corporation to be eligible for an adjustment for quality.

b. Production to be counted when damage is due to cause(s) not insured against.

- (1) When the acreage is put to another use without the consent of the Corporation, the production to be counted shall be the larger of (a) the appraised production for such acreage or (b) the coverage for such acreage in the third stage (or the bushel equivalent thereof in the case of monetary insurance).
- (2) When the yield on an acreage has been reduced solely by cause(s) not insured against, the production to be counted shall be the larger of (a) the appraised loss of production for such acreage or (b) the coverage for such acreage in the third stage (or the bushel equivalent thereof in the case of monetary insurance), minus any production harvested from such acreage.
- (3) Where the yield is reduced due partially to cause(s) not insured against and partially to cause(s) insured against, the loss of production for such acreage due to uninsured causes shall be determined by appraisal.

Subsection B. Preparation of Inspection Report

When an inspection is made the adjuster shall prepare Form 63 in accordance with subsection B below for each insurance unit at the time of each inspection of the unit. A separate Form 863 shall be prepared for each part of an insurance unit in the following cases:

1. When parts of the unit are located in different coverage and rate areas (herein called "areas");
2. When two or more practices, for which different coverage or premium rates have been established, are followed on parts of the insurance unit such as: (continuous cropping, summer fallow, etc.);
3. When a transfer of interest has been approved involving a part of the acreage or a part of the insured's interest in the crop on the unit;
or
4. When the insured has different shares in the crop on parts of the unit.

(Instructions for preparation of Part I are contained on the reverse side of the last copy of the Inspection Report and will not be repeated in this procedure.)

Part II. Actual Production

Part II shall include the shares of all persons in the threshed production of the insured crop on the unit (or part thereof covered by Form 63.) Routine completion of Part II of Form 63 shall not be considered adequate to determine the quantity of threshed grain. The adjuster shall fully satisfy himself, by such investigation as may be necessary, that the yield appears to be consistent with the yield of comparable land in the area.

Item 1. Farm Stored Grain: The data for each bin shall be recorded in item 1. All dimensions listed shall be actual inside bin measurements and shall be expressed in feet and tenths of feet. (Where the gross bushels by weight were determined before the grain was stored, and records of this determination are acceptable to the adjuster, the manner in which such determination was made shall be entered on one of the lines in item 1 and only columns S (T where applicable) and U need be completed).

Columns J. K. and L. - These columns are self-explanatory.

Column M: - Enter the depth of the grain in the bin. If grain from the present crop is stored in a bin which also contains grain from a previous crop, only the depth of grain from the present crop shall be measured.

Column N: - Enter the gross cubic feet of the grain. (See Adjuster's Handbook for methods of determining contents of bins.)

Column O: Enter the cubic feet of deduction for any space occupied by chutes, vents, studs, cross-ties, etc., which have been included in the overall measurements of the grain.

Column P: Enter the result obtained by subtracting the entry in column O from the entry in column N.

Column Q: Enter the result (rounded to tenths of bushels) obtained by multiplying the entry in column P by 0.8.

Column R: The test weight for wheat shall be assumed to be 60 pounds and the test weight for flax shall be assumed to be 56 pounds unless the insured or the adjuster believes that the actual test weight is more or less than that stated, in which case the actual test weight should be determined.

If the test weight is determined, representative samples must be taken from each bin. Each sample should be labeled by the adjuster to identify it with the bin from which it was taken.

Column S: Enter the result (rounded to tenths of bushels) obtained by multiplying the entry in column Q by the percentage factor (obtained from the table below) for the test weight as shown in column R.

TABLE OF CORRECTION FACTORS TO CONVERT GROSS BUSHELS BY VOLUME TO GROSS BUSHELS BY WEIGHT

WHEAT AND FLAX

<u>Test Weight</u> (Pounds)	<u>Percentage Factor</u>		<u>Test Weight</u> (Pounds)	<u>Percentage Factor</u>	
	(Wheat)	(Flax)		(Wheat)	(Flax)
65	108	—	50	83	89
64	107	—	49	82	87
63	105	—	48	80	86
62	103	—	47	78	84
61	102	—	46	77	82
60	100	107	45	75	80
59	98	105	44	73	79
58	97	104	43	72	77
57	95	102	42	70	75
56	93	100	41	68	73
55	92	98	40	67	71
54	90	96	39	65	70
53	88	95	38	63	68
52	87	93	37	62	66
51	85	91	35	60	62

Column T: In areas where it is customary to sell grain on a clean basis and where the coverage and premium rate have been established accordingly, enter the percent of dockage or foreign material. In the case of wheat, other small grain threshed with the wheat shall not be considered as dockage or foreign material. This percentage shall be determined on the basis of weight (not volume). No entry shall be made in column U in areas where the grain is sold on a field run basis.

Column U: Multiply the entry in column S by the entry in column T (round to tenths of bushels), subtract the result thus obtained from the entry in column S, and enter the remainder in column U. If there is no entry in column T, the entry in column S shall be entered in column U.

Items 2 through 6: These items are self-explanatory.

Part III - Adjuster's Narrative Report

In addition to the information requested in the instructions on the reverse side of Form 63, the director shall outline for the Adjuster the information which he thinks the Corporation will need in the final determination of any loss, and shall instruct the Adjuster to enter in Part III, whatever of that information is available.

Subsection C - Production Eligible for an Adjustment for Quality and Method of Determining the Production to be Counted.

1. Threshed production is eligible for an adjustment for quality when the Corporation determines (a) that it is not eligible for a Commodity Credit Corporation loan because of the quality of the production and would not meet these loan requirements if properly handled and (b) that it has a value per bushel which is less than the lower of the fixed price or the county loan rate for the lowest grade eligible for loan.
2. In these cases the production to be counted shall be determined by (a) multiplying the number of bushels of this damaged grain by the value per bushel as determined by the adjuster, and (b) dividing the result thus obtained by the lower of the fixed price or the county loan rate for the lowest grade eligible for loan.

When an adjustment for quality is made a full explanation of the determination, including (1) the number of bushels of damaged production, (2) the price per bushel or value of such production as determined by the adjuster, and (3) the production to be counted shall be entered in Part III of the Inspection Report.

SECTION II - ADJUSTMENT OF CLAIMS

Subsection A. General

1. Responsibilities of the insured:
 - a. If a loss is probable the insured is required to submit notice to the county office immediately after any material damage to the insured crop during the growing season.
 - b. The insured is required to submit a notice of loss to the county office within 15 days after the completion of threshing or by the end of the insurance period, whichever is earlier, if a loss has been sustained or is probable on the insurance unit. If this notice is not given within 15 days after the completion of threshing or by the end of the insurance period, whichever is earlier, the Corporation reserves the right to reject any claim for indemnity. This provision is essential in order that inspections may be made while the facts can best be determined.

- c. The insured shall submit claim for loss within 60 days after the time of loss. (In case all of the acreage on the insurance unit is released prior to harvest, the time of loss is the date of the damage resulting in the release. In case the crop is threshed or removed from the field prior to the end of the insurance period, the time of loss is the date of completion of threshing or removal from the field. In case the crop is not threshed or is not removed from the field prior to the end of the insurance period, the time of loss is the end of the insurance period.) If the claim is submitted more than 60 days after the time of loss see Section III. C. hereof.
- d. The insured shall use Form 67 in submitting a claim for loss.
- e. The insured shall establish that the amount of any loss for which claim is made has been directly caused by one or more of the hazards insured against by the contract during the term thereof, and that the loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against.

2. Responsibilities of the adjuster:

- a. In making each inspection in connection with a claim for loss, the adjuster shall determine the time of loss on the insurance unit as set forth in l. c. above, and compare this date with the date the insured gave notice of loss at the county office, as shown on Form 8. If the notice of loss was not given within the time specified in l. b. above, the case shall be handled as provided in Section III. B. hereof.
- b. The adjuster shall not approve a Form 67 until (1) he has inspected all fields or tracts in the unit, (2) he has accurately determined the acreage seeded to the insured crop on the unit, (3) he has verified to his satisfaction that all of the production for the unit has been reported, (4) he has made any necessary appraisals of production per acre, and (5) he has determined that the loss is due to insurable causes.
- c. The adjuster shall not approve a Form 67 covering a unit on which any acreage is released until he determines the use made of this acreage.
- d. The adjuster shall not approve a Form 67 if there is any possibility of threshing any production from the unit at a later date.
- e. The adjuster shall prepare Form FCI-26 "Adjuster's Report" in connection with each Form 67 filed. The Form FCI-26 shall be attached to the related Form 67 when it is submitted to the director.
- f. In any case where a timely notice of loss is filed by the insured, the adjuster shall not refuse to assist the insured in filing Form 67 even though the adjuster feels that the claim has no merit.

Subsection B. General Instructions Applicable to Preparation of Form 67.

Form 67 has been designed so that data can be included for two farming practices (i.e. S.F. and C.C.) on the same Form 67 without requiring "Supplemental" and "Master" forms provided the entire insurance unit is located in one area. Also one Form 67 can contain data for parts of the insurance unit in two areas provided only one farming practice is followed in each area. Column A has been added to provide for entering area number(s) (and practice(s) where applicable) and columns A, B, D, and E have been divided horizontally in items 1 through 4 so that two entries can be made in each item.

1. A separate Form 67 (or a "master" and "supplemental" Form 67, where subsection D of this Section applies) shall be prepared for each unit on which a loss is claimed.
2. Where the insured fails to establish and maintain separate records satisfactory to the Corporation of production for each unit and all the acreage from which production is commingled is insured, the case shall be handled in accordance with subsection D, paragraph 4, page ____ of this Section.
3. Where the insured fails to establish and maintain separate records satisfactory to the Corporation of production for "Unclassified" acreage and such production is commingled with production from insured acreage, the production from the "unclassified" acreage will be considered to have been produced on the insured acreage and the loss adjusted in the usual manner.

However, if in either of the above cases the adjuster feels that insurance with respect to such units should be voided for the current crop year, he shall prepare Form FCI-6, "Statement of Facts", setting forth the facts which he feels justify this action and his recommendation. When Form FCI-6 is prepared in such cases the adjuster should not sign Form 67. If the insurance for such units is voided, the insured may still be required to pay the current premium.

4. The insured and the adjuster certify only to the basic data appearing on Form 67, which include the measured acreages, the insured interest, the total harvested production, the appraisals of production, and the cause(s) of damage. Therefore, the adjuster shall complete Form 67 only to the extent provided hereinafter.
5. Where it appears that there will not be a loss on the unit, or where the insured requests information as to the approximate indemnity he may expect to receive, the adjuster may perform the necessary computations on a scratch pad, using the instructions on the reverse side of Form 67, and advise the insured of the approximate amount of his indemnity before any deduction for indebtedness. If there is no loss, the adjuster should explain to the insured why there is no loss.
6. In all cases the insured shall be advised that the required computations will be made by the Corporation and that his copy of Form 67 will be mailed to him after the audit is completed.

7. Where a statement of facts is required Form FCI-6, "Statement of Facts," should be used to record the necessary information. In cases where more than one statement of facts is required, all such statements may be entered on the same Form FCI-6 insofar as space permits.

Subsection C. Preparation of Form 67 for Usual Cases

1. The instructions set forth in this subsection apply in all cases where (a) not more than two areas are involved (or one area with two farming practices is involved) on an insurance unit, (b) the insured has the same share in all the acreage of the insured crop on the unit, and (c) there has been no transfer of interest in the insured crop on the unit. In all other cases Form 67 shall be prepared in accordance with Paragraphs 1, 2, 3, or 4 of subsection D of this section.

2. Form 67 shall be prepared as follows:

Heading:

These entries are self-explanatory. The name of the insured on Form 67 must agree with the way it appears on the contract. If it does not agree and the name of a legal representative, legal entity, transferee or assignee has been entered, Form FCI-6 fully explaining the difference shall be attached to Form 67.

Part I. Basic Data

The following important factors shall be kept in mind in preparing Part I.

- a. In connection with any computation, rounding shall be performed as follows: Carry the computation one digit beyond the digit to be rounded. If the last digit is 5 or larger, round upward; if the last digit is 4 or smaller, disregard it.
- b. All acreage figures shall be shown to tenths of acres. Production figures shall be rounded as provided on the reverse side of Form 67.
- c. Boxes: Instructions for completing all boxes are contained on the reverse side of Form 67. More detailed instructions are set forth below for boxes B and D due to the importance of these data in determining the amount of any indemnity due the insured.

Box B: Enter the measured acreage seeded for harvest as grain or seed on the insurance unit, excluding (1) any acreage to which insurance did not attach, and (2) any acreage for which the contract does not provide insurance (See Section I - Subsection A, 2 of this procedure). This acreage shall be accurately determined by the adjuster unless acceptable records of measurement are on file in the county office. All possible use shall be made of permanent field acreages established under other agricultural programs and on file in the county office. Measuring equipment shall be checked for accuracy and corrected, where necessary, prior to its use.

Where applicable, the adjuster shall advise the insured of the following:

- (1) If the measured acreage is less than the reported acreage the loss, if any, will be settled on the basis of the measured acreage and the premium adjusted accordingly;
- (2) If the measured acreage exceeds the reported acreage, the loss which would otherwise be determined will be reduced proportionately unless the provisions of paragraph (3) below are applicable.
- (3) Where different premium rates are established for (or the insured has different shares in the crop on) parts of the unit, the loss on the planted acres will be reduced on the basis of the ratio of the premium computed for the reported acreage to the premium computed for the planted acreage in cases where the latter is larger.

Box D: Enter the insured interest in the crop (100, .667, .50, .333, etc.) which shall be the smaller of (1) the reported share in the crop as shown on the acreage report, or (2) the share in the crop at the beginning of harvest or the time of loss, whichever occurs first. Where the insured interest entered in Box D differs from the reported share shown on the acreage report, Form FCI-6 explaining the difference shall be attached.

- d. Items 1 through 9: The instructions for completing these items are outlined on the reverse side of Form 67. (See Section I, Subsection A, 7, for instructions for determining the production to be counted). Care should be taken to see that proper appraisals are entered in items 6 and 7 for any cause(s) of loss not insured against. (See applicable policy for causes of loss not insured against.)

Part II - Computation of Loss

(Instructions for completion of items 10 through 14 are contained on the reverse side of Form 67 and will not be repeated in this procedure.)

Part III. For Branch Office Use Only

Make no entries.

Part IV. Causes of Damage Insured Against.

Enter the primary and any secondary insured cause of damage to the crop, together with the approximate date(s) of damage and the estimated percent contribution of each such cause to the total loss on the unit due to causes insured against. No uninsured cause(s) of damage shall be entered in Part IV.

The entries for "Estimated Percent Contribution" should total 100 percent. The various insured causes of damage, which shall be used as a guide for uniformity, are listed below:

Drought	Hot Winds (including excessive heat)
Hail	Tornado
Fire	Windstorm
Wild Life (animals or birds)	Plant Diseases (which could not be prevented by the insured)
Flood (overflow or backwater)	Insects
Excessive Moisture (rain or seepage)	Noxious weeds not due to poor farming practices.
Winter-kill or	
Frost, Freeze or Snow	
Hurricane	

If any part of the loss is due to an act of a person(s), the adjuster shall prepare a Form FCI-6 setting forth all pertinent facts including the name of the person(s), if possible, and the number of bushels of production lost due to the damage caused by such person(s). Form FCI-6 shall be attached to Form 67.

Part V. Claim, Certification, Release and Assignment

Item 18: By signing Form 67 the insured certifies the data appearing on the form and agrees to the substitution of the Corporation as his attorney to ~~exercise~~ right of recovery against any person(s) for damage to the crop to the extent that payment for loss resulting from such damage is made to the insured by the Corporation. The insured shall be informed of all the conditions of the certification as set forth in the "Adjuster's Handbook".

Enter in the space provided either "yes" or "no" to the question whether a collateral assignment is outstanding. If a Form FCI-20, "Collateral Assignment", approved by the Corporation, is on file in the county office, the word "no" shall not be entered until the adjuster determines that the assignee has released the assignment in writing. Where "yes" is entered, and the insured wants the assignee to be paid separately to the extent of the cash amount of the assignment or a lesser amount a statement to this effect, signed by the insured, must accompany the Form 67. If the statement provides for the issuance of a separate check to the insured and a separate check to the assignee for an amount less than that shown on the assignment, it must also be signed by the assignee. If no such statement is attached, a joint check will be issued.

Wherever possible, the adjuster shall review Form 67 and determine that all necessary entries have been made thereon and shall discuss all appraisals and other basic data with the insured before it is signed by him. After the form is filed by the insured, no person has authority to change or enter thereon any basic data. If after the form has been filed by the insured it is found that any of the basic data shown thereon are incorrect, the case shall be handled in accordance with the procedure set forth in Section III, Subsection A, hereof.

The insured (or other eligible claimant) shall sign and enter the date in the spaces provided in item 18. Before signing, he should be cautioned that his signature must agree with the name in the heading of Form 67, and, where applicable, with his signature on

the contract. The signature must actually be affixed by the person whose name appears in the heading of Form 67, or by his authorized representative.

Item 19: The adjuster shall not approve the Form 67 until all basic data have been entered thereon and until it has been signed by the insured.

If the signature is affixed in a representative capacity, the adjuster must determine that a power-of-attorney or other acceptable evidence is on file in the courthouse or the county office authorizing the person to sign in the capacity in which he signs. If, after the insured has signed the form, the adjuster can certify to the statements in item 19, he shall sign and date the form in the spaces provided.

Item 20: This item is for the use of the director.

Boxes Designated "For Branch Office Use Only"

The adjuster shall make no entries in these boxes, which will be used by the Corporation in notifying state and county offices of changes in the premium for the contract in each case where the measured acreage shown on Form 67 is less than the reported acreage, thus eliminating the preparation of "revised" acreage reports by the Corporation.

Subsection D. Preparation of Form 67 for Unusual Cases

1. Where the insured has different shares in parts of the insured crop on the insurance unit.

A separate Form 67 shall be prepared for each acreage on the unit on which the insured has a different share. (For example: If the insured has 75 percent interest in 80 acres of the insured crop and 66.7 percent interest in 120 acres of the insured crop on the same unit, one Form 67 shall be prepared for the 80 acres and another Form 67 shall be prepared for the 120 acres). The word "Supplemental" shall be entered immediately above the title on each of these forms. After the "Supplemental" forms have been prepared as provided below, the entries thereon shall be summarized and entered on a Form 67 which shall be identified by entering the word "Master" immediately above the title. These "Supplemental" forms and the "Master" form shall be prepared as follows:

(a) "Supplemental" Forms

- (1) Complete the heading of each "Supplemental" form in the usual manner and enter in Part I of each "Supplemental" form the data applicable to the acreage covered by the "Supplemental".
- (2) No other entries shall be made on the "Supplemental" form.

(b) "Master" Form

- (1) Heading - (Complete the heading in the usual manner).
- (2) Part I - To obtain the entries for the "Master form for

all items (except columns A and D) and for boxes A and B, add the entries for the respective items and boxes on all "Supplemental" forms and enter the sum thereof in the corresponding items and boxes on the "Master" form. Columns A and D shall be completed in the usual manner.

Box C: Enter the word "Varying".

Boxes D and E: Complete these boxes in the usual manner.

- (3) Complete the "Master" form in the usual manner. It will not be necessary for each "Supplemental" form to be signed by the insured provided the "Master" form is signed.

2. Where more than two areas are involved (or more than one area with two farming practices is involved) on an insurance unit.

Separate Forms 67 shall be prepared as needed for acreages of the insured crop on parts of the unit for which different coverages apply or which are located in different areas. In addition, if the insured has different shares in parts of the insured acreage to which the same coverage per acre applies, a separate Form 67 shall be prepared for each acreage in which the insured has a different share. The word "Supplemental" shall be written immediately above the title on each of these forms. After the "Supplemental" forms have been prepared as provided below, the entries thereon shall be summarized and entered on a Form 67 which shall be identified by entering the word "Master" immediately above the title. These "Supplemental" forms and the "Master" form shall be prepared as follows:

(a) "Supplemental" Forms

- (1) Complete the heading of each "Supplemental" form in the usual manner and enter in Part I of each "Supplemental" the data applicable to the acreage covered by the "Supplemental". (Unless the insured has different shares in parts of the acreage, the harvested production need not be entered on the "Supplemental" form).
- (2) No other entries shall be made on the "Supplemental" form.

(b) "Master" Form

- (1) Heading - (Complete the heading in the usual manner).
- (2) Part I - To obtain the entries for the "Master" form for all items (except columns A and D) and for boxes A and B, add the entries for the respective items and boxes on all "Supplemental" forms and enter the sums thereof in the corresponding items and boxes on the "Master" form. Columns A and D shall be completed in the usual manner.

Box C: Complete this box in the usual manner unless the insured has varying shares, in which case enter the word "Varying".

Boxes D and E: Complete these boxes in the usual manner. (When the harvested production was not entered on the "Supplemental" forms, it shall be obtained from the inspection report.)

- (3) Complete the "Master" form in the usual manner. It will not be necessary for each "Supplemental" form to be signed by the insured, provided the "Master" form is signed.

3. Where there has been a transfer of interest in the insured crop on the insurance unit.

The Regulations provide that in the event of a transfer of interest the Corporation shall not be liable for a greater indemnity than would have been paid had the transfer not taken place.

a. Transfer of all or part of the insured interest in all of the insured acreage on the unit.

Prepare Form 67 in the usual manner, except that the name of the insured and the insured interest (box C) shall be determined on the basis of the insured interest of the original insured and the information shown on any Forms FCI-21-Revised, "Transfer of Interest."

b. Transfer of all the insured interest in a part of the insured acreage on the unit.

- (1) If neither paragraph 1 nor paragraph 2 of this subsection applies and only one transfer has been made:

(a) Draw a vertical line through the center of columns B, C, and E.

(b) To the left of the vertical line enter the data for the entire unit.

(c) To the right of the vertical line enter the data for one of the following: (1) if the transferee is submitting the claim, enter the data for the acreage transferred, or (2) if the transferor is submitting the claim, enter the data for the acreage not transferred.

(d) Otherwise prepare the Form 67 in the usual manner.

(2) If neither paragraph 1 nor paragraph 2 of this subsection applies and two or more transfers have been made.

(a) Prepare a Form 67 for each individual (transferor and transferee) who has an insured interest under the contract at the time of loss. These forms shall be prepared in the usual manner except that the words

"Transfer of Interest - data for a part of the insurance unit" shall be entered above the title.

- (b) Prepare a Form 67 covering the entire unit. The words "Transfer of Interest - data for entire insurance unit" shall be entered above the title of the form. It should be prepared as if no transfer of interest had taken place and should be completed only through Part I.
- (c) All Forms 67 prepared for the parts of the unit as well as the one prepared for the entire unit shall be submitted together.

c. Where there is a transfer of part of the insured interest in a part of the insured acreage on the insurance unit, or where there is one or more transfers and paragraph 1 or paragraph 2 of this subsection applies to the original insured.

(1) Prepare a Form 67 for:

- (a) The insured acreage on the unit for each individual transferor or transferee (and, where applicable, each acreage of the insured crop on the unit on which each individual has a different share or where paragraph 2 above applies.
- (b) If more than one Form 67 is prepared for the same insured, a "Master" form shall be prepared consolidating such data.
- (c) The entire unit as if no transfer had taken place.

(2) Prepare these Forms 67 in accordance with the instructions contained in paragraph 3b (2) above.

4. Where the insured commingles production from two or more insurance units and fails to maintain separate records of production for each insurance unit and all the acreage from which production is commingled is insured.

a. Prepare Form(s) 67 for each unit in accordance with subsection C of this Section or paragraphs 1, 2, or 3 of this subsection, whichever is applicable, except as follows:

(1) In addition to any identification of the form as required above, enter the words "Part of a combination" "Commingled production" immediately above the title on each of these forms.

(2) Make no entry for production on these forms.

b. Prepare a Form 67 consolidating the data for all of the units in accordance with paragraphs 1, 2, or 3 of this subsection, whichever is applicable, except as follows:

- (1) Enter the words "Master - Combination" "Commingle Production" immediately above the title on this form.
- (2) The insurance unit number of all units involved shall be entered in the space provided.
- (3) Delete the word "Reported" over box A and insert above the deletion the word "Insured".
- (4) Enter in box A the sum of the insured acreages for all of the units involved. (The insured acreage for each "Supplemental" covering an insurance unit is the smaller of the entry in box A and the entry in box B on such form.)
- (5) Enter in item 1, column C, all of the commingled threshed production.
- (6) Enter in item 2, column C, the appraised production for all of the commingled production which is harvested but not threshed.

Subsection E. Other Unusual Cases

If a case arises which because of some special circumstance is meritorious but which is not specifically covered by this procedure or if the application of this procedure results in an undue hardship on the insured, the case should be submitted in accordance with General Procedure 4.

Subsection F. Cases Where the Insured and Adjuster Cannot Agree

If the insured and the adjuster cannot agree on the settlement of a loss claim the case shall be referred to the supervisor. If the insured and the supervisor cannot agree two Forms 67 shall be prepared, one showing the data submitted by the insured and signed only by him, and the other showing the data determined by the supervisor and signed only by him. The supervisor shall submit both forms to the director in accordance with General Procedure 4. If the insured does not file his Form 67 at that time, he shall be advised by the supervisor that such Form 67 must be filed not later than 60 days after the time of loss. Every effort should be made to handle these cases as promptly as possible.

Subsection G. Transmitting Forms 67 to the Director

The adjuster shall forward daily to the director all copies of all completed Forms 67. All copies of any Form(s) FCI-6 prepared as provided in this procedure shall be attached securely to the related Form 67.

SECTION III. CORRECTED FORMS 67, DELAYED NOTICES OF LOSS OR FORMS 67

Subsection A. Corrected Forms 67

If after a Form 67 has been filed by the insured and submitted to the state director it is found that the basic data thereon are incorrect because of a bona fide error on the part of the insured or the adjuster,

a corrected Form 67 (plainly marked "corrected" in the heading thereof) shall be prepared and signed both by the insured and the adjuster. (However, unless the correction would change the indemnity as much as \$5.00, a "corrected" Form 67 shall not be approved by the adjuster.)

In addition, the adjuster shall prepare Form FCI-6 fully explaining how the error occurred and including all facts pertinent to the case. The Form FCI-6 shall be attached to the "corrected" Form 67 and transmitted promptly to the director.

If after a Form 67 has been filed by the insured it is found that the basic data thereon are incorrect and it appears that the insured may have acted in bad faith by concealing some material fact, the adjuster shall prepare a Form FCI-6 setting forth all pertinent facts regarding the case. This Form FCI-6 shall be transmitted promptly to the director. If the insured wishes to file a "corrected" Form 67 in such cases, the adjuster shall not sign such form but shall attach thereto the Form FCI-6. The Form 67 originally filed by the insured shall of course be transmitted promptly to the director in all cases, if such form has not already been transmitted.

It will not be necessary to prepare a "corrected" Form 67 if the basic data on the original form is correct and settlement has been made in a lesser amount than the correct indemnity and the insured is requesting the additional amount.

Subsection B. Delayed Notice of Loss.

The contract requires the insured to submit a notice of loss to the county office immediately after the completion of threshing if a loss has been sustained on the unit. There is further provision in the contract that if notice is not given within 15 days after threshing is completed the Corporation reserves the right to reject any claim for indemnity. This provision is essential in order that inspections may be made while the facts can best be determined.

In making each inspection after the time of loss, the adjuster shall determine the time of loss on the unit as set forth in Section II, Subsection A, 1, c, hereof and compare this date with the date the insured gave notice of the loss at the county office, as shown on Form 8.

- (1) If the notice of loss was given within 15 days after the time of loss the case shall be handled in the usual manner.
- (2) If the notice of loss was given more than 15 days after the time of loss but in sufficient time for a Form 67 to be filed within the 60-day period after the time of loss, the insured shall be informed of the requirement of the contract set forth above for giving notice within 15 days after the time of loss. The adjuster shall request the insured to submit along with the Form 67, if one is filed, a

statement showing the reasons for the delay in filing a notice of loss. In these cases, the adjuster shall prepare Form FCI-6 showing (a) the portion of the acreage on which the stubble was still standing at the time of inspection, (b) whether he was able to accurately determine the actual acreage, (c) the method used in determining the actual production, (d) whether he is entirely satisfied that all production was accounted for, (e) whether he feels certain that he was able to ascertain the extent of any uninsurable cause of loss and the method of making per acre appraisals for such causes, (f) in what respects the evidence with regard to acreage and production is or is not as satisfactory as it would have been if the notice had been submitted within 15 days, and (g) any other facts which he considers pertinent to the case.

- (3) Where it is evident when the adjuster receives Form 8 that it will not be possible for the insured to file a Form 67 within the 60-day period after the time of loss, he should act under existing instructions from the director for such cases or request instructions from the director as to whether he should make an inspection.

Where it is not evident when the adjuster receives Form 8 that it will not be possible for the insured to file a Form 67 within the 60-day period after the time of loss, but he finds upon inspection that the notice was given too late to permit the inspection to be made and the Form 67 to be filed within this period, the adjuster shall make the inspection, prepare Form 63 and obtain from the insured a written statement as to the reason for the delay in filing the notice of loss, and submit the case to the director for consideration without preparing a Form 67. However, if the insured insists upon filing a Form 67 in cases of this kind, he should be permitted to do so but he should be informed of the 15-day provision for reporting loss to the county office and the 60-day provision for filing a Form 67, but the adjuster should not sign these Forms 67 indicating his approval.

Subsection C. Delayed Forms 67

The Regulations provide that the Form 67 shall be filed not later than 60 days after the time of loss, unless the time for filing the claim is extended in writing, by the Corporation. This 60-day period will not be extended except in the most meritorious cases. Where a Form 67 is submitted more than 60 days after the time of loss as set forth in Section IV, subsection A, 1, c, hereof, the adjuster shall request the insured to submit along with the Form 67, a statement showing the reasons for the delay in order that a determination may be made as to whether the extension is to be granted.

In these cases, the adjuster shall submit a statement on Form FCI-6 giving all the information requested in subsection B, 2, of this Section.

SECTION IV. SETTLEMENT OF LOSS CLAIMS

The adjuster shall advise the insured that any claim for indemnity submitted in accordance with the Regulations and applicable procedures will be paid by the issuance of a check of the Corporation payable to and mailed to the person(s) entitled to such payment under the Regulations.

SECTION V. DISTRIBUTION OF FORMS

Distribution of forms shall be made as follows:

Form 63

The state office copy shall be forwarded to the director.
The insured's copy shall be given to the insured at the completion of the inspection.
The county office copy shall be filed in the insured's crop insurance folder on file in the county office.

Form 67

The adjuster shall forward all copies of Form 67, including the insured's copy to the director.

After a review thereof has been made by the Corporation, the insured's copy will be mailed to him, the state office copy will be filed in the related folder, and the county office copy will be forwarded to the county office for filing in the insured's crop insurance folder after any necessary corrections in the premium, as are indicated at the bottom of Form 67, are made on county office records of the insured's premium account.

Form FCI-15 "Transmittal Sheet"

Form FCI-15 will be prepared by the director. The branch office copy shall be forwarded to the branch office together with Forms 67 and any attachments. The county office copy shall be forwarded to the county office. The state office copy shall be retained and filed in the state office.

